

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JAY AND) APPEAL NO. 07-A-2498
JEANNE HENRY from the decision of the Board of) FINAL DECISION
Equalization of Idaho County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 24, 2007 in Grangeville, Idaho before Board Member Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn also participated in this decision. Appellants Jay and Jeanne Henry appeared with real estate broker Janet Zandersmith at hearing. Assessor James Zehner and Appraiser Max Penham appeared for Respondent Idaho County. This appeal is taken from a decision of the Idaho County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RP28N01E274675A.

The issue on appeal is the market value of a residential property.

The decision of the Idaho County Board of Equalization is modified.

FINDINGS OF FACT

The BOE reduced the assessed land value to \$909,684, and left the improvements' value at \$17,043, totaling \$926,727. Appellants request the total value be reduced to \$340,000 with no value attributed to the improvements.

The subject property has 15.51 acres with approximately 1,500 to 1,600 front feet along the Salmon River. A paved county road bisects the property. There is an active gravel pit operation across the river. The useable acreage, lying generally below the road, totals about eight (8) acres. The remaining land is relatively steep or rocky and lies above the road. Improvements to the property include an older, poor condition mobile home (MH) with cover, an 800 square foot garage, power, well and septic system. The parties agreed at hearing the MH

was in such a deteriorated state it likely contributed no value. The record reflects a value for the MH of \$2,533. It was not clear how much assessed value was associated with the cover.

Appellants presented value evidence from two fee appraisals and a realtor. One appraisal was performed in connection with financing the Appellants' purchase of subject. The sale closed in May or June of 2007. The sale price and first appraisal came in at \$340,000. The sale appeared to be an arm's-length transaction. Subject was listed for sale in November 2006 for \$350,000. The second appraisal, with a retrospective appraisal date of January 1, 2007, and obtained in connection with this appeal, came in at \$400,000. This appraisal primarily considered six (6) riverfront property sales. After adjustments, some very sizable, the comparable sales indicated a price range for subject between \$243,000 and \$480,000.

The Assessor reported subject was reappraised for 2007 using a Salmon River land value grid developed and first used in the 2006 tax year. There were 28 sales considered in the grid's development, which included various neighborhoods and site ratings (fair, average, good), plus different rates of value for different land sizes (0.0 to 37 acres). The sale dates generally ranged from mid-2000 to mid-2005. Subject's six (6) steep acres above the road were valued at \$100 per acre by the BOE. While the roughly eight (8) acres of more level and riverfront land was valued at about \$115,000 per acre.

On appeal, the Assessor also considered six (6) additional riverfront sales from 2006 and 2007. Detailed property information and photographs were presented. Three (3) properties had sale dates in 2007. The 2006 sales indicated the following, after making deductions for any improvement value.

<u>Comp.#</u>	<u>Acres</u>	<u>Quality</u>	<u>Acre Value</u>
3	2.328	average	\$54,725
4	29.75	good-excel.	\$10,084
6	1.0	excellent	\$245,000

Subject's riverfront ground was rated average. The parties agreed the small acreage market was generally distinct from subject's 15-acre market. Comparable No. 4 was a relatively high, bench-type property with steep slopes leading down to the shoreline. County information indicated there was no deeded access to this property at the time of sale. The property has since been developed with a new residence.

The Assessor considered Comparable No. 1, a May 2007 sale, to be the most similar to subject and argued it supported the assessment or even indicated a higher valuation might be warranted.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Our conclusion of value begins by recognizing the parties' hearing position that the mobile home contributes no value and likely will cost something to remove. The Board therefore will order the improvements value be reduced by \$2,533. Any further reduction on the remaining improvements was not found warranted. Appellant did not prove a lesser value for the garage or other improvements.

In restricting our consideration to the timely market price evidence, the Board finds a reduction in subject's land value has been supported by a preponderance of the evidence. Idaho

Code § 63-511(4). Timely evidence on a question of market value would be that evidence known or reasonably knowable by informed buyers and sellers as of the January 1, 2007 lien date. Idaho Code §§ 63-201(10, 63-205(1).

The most persuasive evidence of value from Respondent was the price evidence from the January 2006 sale of comparable No. 4, for \$300,000. The quality of this land was graded superior to subject and the overall site was larger, but had a less useable shoreline. Also the sale did not include any improvements such as road, well or septic system.

The persuasive and most relevant information from taxpayers was found to be the listing price for subject as of January 1 and the independent, retrospective fee appraisal dated that same day. Unfortunately the fee appraiser was not available for questioning. However, on total we find Appellants' evidence of subject's market value to be better than the County's. This was a difficult valuation question. There was a wide range of property differences and prices reflected in the comparable sales information. No sales were highly similar to subject. This is partly why consideration was given to subject's listing information. We did not find the land's assessed value was well supported. Therefore the Board will also modify the subject's land value by reducing it to \$400,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Idaho County Board of Equalization concerning the subject parcel be, and the same hereby is, modified as follows:

Land	\$400,000
Improvements	<u>\$14,510</u>
Total	\$414,510

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

MAILED April 3, 2008